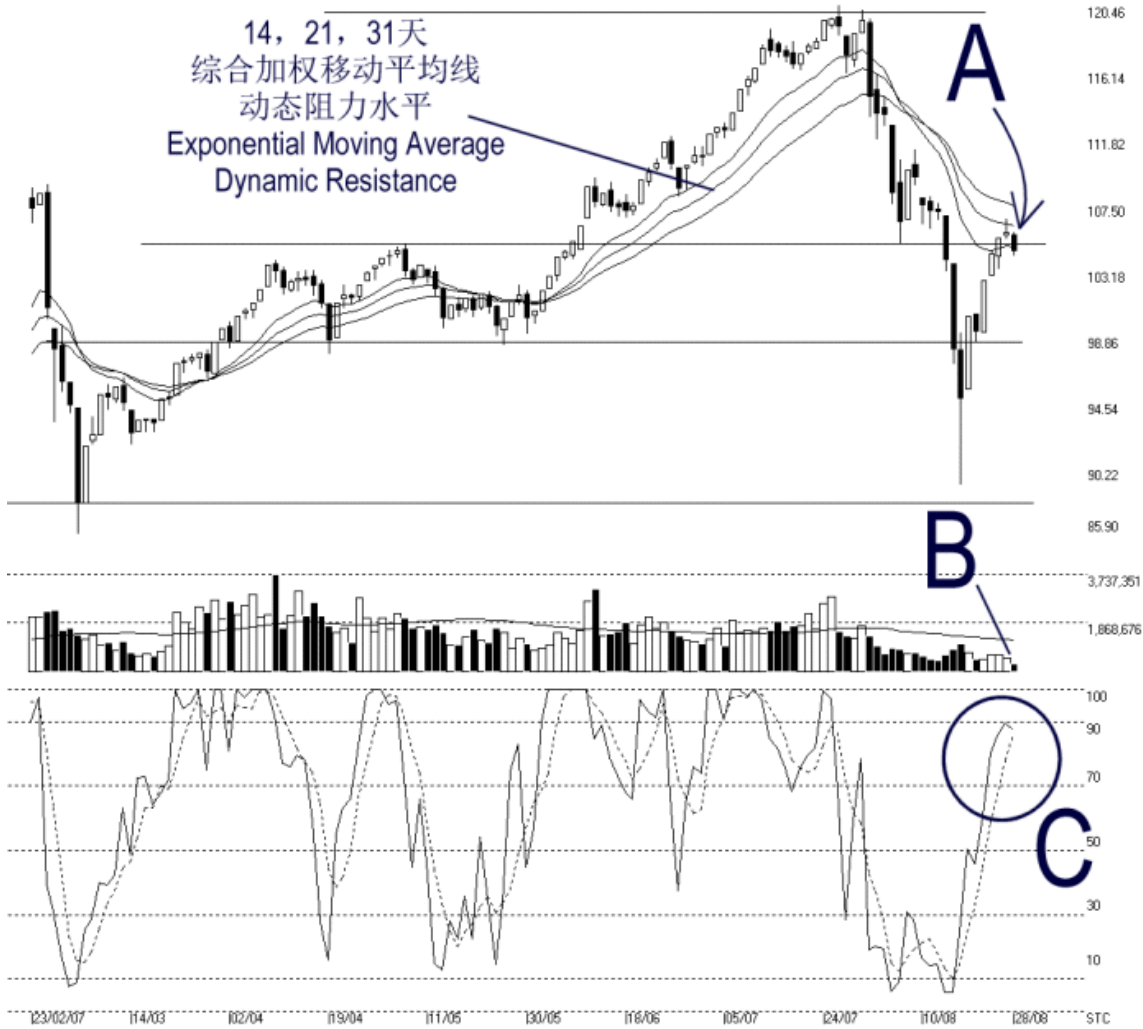




STRAITS index

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Open:105.520 High:105.610 Low:104.130 Close:104.510 -1.100(-1.0%) Volume:299,311 (-229591,-43.4%)
2ND-BOARD [2ND-BOARD] 23/02/2007 - 28/08/2007 Ticks-130 { Indices } Moving Averages e[14,21,31] - Volume Daily
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2nd Board Index Daily Technical Analysis 28/08/2007

As indicated by A, the 2nd board index started to retreat after resisted by the 14, 21, 31 EMA. Therefore, the 14, 21, 31 EMA is still serving as the dynamic resistance to the 2nd board index. If the 2nd board index should remains below the falling dynamic resistance, the outlook for the 2nd board index shall remains bearish biased.

Volume for the 2nd board market declined 43.4%, and still staying further below the 40-day VMA level. This suggests that the market participation in the 2nd board market is still very low, and therefore, the market confidence of the 2nd board market remains weak.

As mentioned in yesterday's analysis, despite the Stochastic breaking above the 70% level, the priority of the analysis should be based on the primary indicators like Moving Average. Nevertheless, the Stochastic is still showing a short term bullish signal, and if the Stochastic should fall below the 70% level, the market movement for the short term would turn to neutral. (Study C)